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7 APR 1980

MEMORANDUM FOR: Deputy Director for Administration
VIA: Director of Finance
FROM: James H. McDonald
Director of Logistics
SUBJECT: Federal Paid-Parking Program
REFERENCE: Memo for DDA from D/L dtd 7 Feb 80,
same subj (OL 0 0539)

1. As indicated in paragraph 2 of the referent, this Office believes that, with the probable inclusion of the Headquarters complex in the Federal Paid-Parking Program this October, a sophisticated program is required to ensure the proper and effective management of paid parking within the Agency. Paid parking has already proven itself to be a highly sensitive and emotional subject, making it all the more imperative that we develop a well-managed program which imposes a minimum of inconvenience upon our employees. Representatives of this Office and the Office of Finance have studied the intricacies of paid parking and the various managerial options available. These options, along with a recommended course of action contained in paragraph 4, are provided below.

2. Management of the Paid-Parking Program consists of meeting three distinct requirements. They are the allocation of parking permits, the collection of associated fees, and the maintenance of a data base sufficient to meet reporting and audit requirements. For purposes of this paper, the options presented below as "decentralized" are those where responsibility for meeting these three requirements is split between offices; e.g., Finance is responsible for collections and Logistics is responsible for allocation and reporting. Those options categorized as "centralized" are those where responsibility for all three requirements rests in one central office. It should be noted that the parking allocation system currently in use requires only minor alterations to be in full compliance with the provisions of the Federal Paid-Parking Program. Regardless of whether a centralized or decentralized approach is utilized, the current allocation system can remain basically unaltered.

OL 0 1332

SUBJECT: Federal Paid-Parking Program

A. Decentralized Systems

(1) Collection of Parking Fees Through Component Finance Officers: This approach places the collection of fees at the office or component level where individual parking permits are distributed. This diffusion of the collection workload avoids long lines and congestion and negates the need for a dedicated staff and computer support. There are, however, many disadvantages. Reserved and lane parking permits are currently issued to Directorates who, in turn, provide these permits to 47 different allocation points within the Headquarters building. Many offices then distribute these permits to the division or branch level before individual allocation is accomplished. Carpool permits are provided to individuals at the office or component level each October, but, after this initial issuance, they are provided to individuals directly from the Logistics Services Division (LSD), OL, as changes in carpools occur. To maintain this procedure, a constant flow of information will be required between LSD and the various offices so that the affected offices can determine who should be paying for these permits. In short, marrying up allocation and fee collection points is not a simple task. There are further complications arising from the fact that some offices and components do not have a finance office located within the Headquarters building. Where finance offices do exist, in many cases they do not currently have a cash collection capability, as cash is processed through the Custodian and Disbursing Branch, Monetary Division, OF, in Room 6E29, Headquarters. Finally, personnel resources in many offices are already strained and inadequate to handle the additional burden of fee collection and related accounting. The monthly collection of parking fees for approximately [] Headquarters employees is a program of such magnitude that the real efficiencies exist in some form of centralized collection.*

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*The number [] pertains to individuals actually paying parking fees. There are an additional [] parking spaces, many of which will be occupied by visitors, official vehicles, shift workers, and handicapped employees not subject to parking fees.

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SUBJECT: Federal Paid-Parking Program

(2) Collection of Fees Through a Central Collection Office: Establishment of a central collection point within the Headquarters building represents an extension of the existing system, where Logistics handles allocation and Finance collects fees at central building locations. The obvious advantage to this approach is that Office of Finance personnel exercise direct and centralized control over all funds collected, thereby minimizing the potential for loss and error that exists with collections being made at dispersed locations throughout the building. The disadvantages arise from the sheer number of personnel located at Headquarters. The only existing central facility, Room 6E29, is inadequate to handle the volume of transactions associated with paid parking, and use of that office would cause considerable disruption in the 6E Corridor. There is also an extensive amount of interface required, with the allocation and collection responsibilities split between two offices. An automated data base would probably be required to manage the flow of information between the Offices of Finance and Logistics and to expedite the collection of fees.

(3) Payroll Deductions: The use of payroll deductions to accomplish parking fee collection is an attractive option, in that it is quick, reduces paperwork, and avoids the physical collection transactions, thereby resulting in a large manpower savings to the Agency. In addition, by piggybacking the existing payroll system, it avoids the purchase of additional computer equipment to handle the Paid-Parking Program.

While the advantages are obvious, the feasibility of such an approach is questionable. The current payroll program would require considerable ODP modification and testing to accommodate the intricacies of paid parking. There are questions as to whether the responsiveness of the current payroll program is adequate to handle the many input changes which would arise from personnel transfers to and from different Agency buildings with differing parking rates, and from personnel constantly joining and dropping out of carpools. Confusion would also arise from deduction of a monthly parking fee prorated over 26 pay periods. While the

SUBJECT: Federal Paid-Parking Program

mathematics is workable, the Office of Finance anticipates that many queries would have to be handled to assure people that the correct amount had been deducted.

The most glaring problem with payroll deductions is that it would not be all encompassing. There are several hundred personnel, such as GSA, contractors, and detailees from other agencies, who are not on the Agency payroll but who will be subject to paid parking. Further, it is unlikely that personnel on our program can be forced to have parking fees deducted from their pay. If given a choice, many will opt to pay for parking on a cash basis. A dual system would be required to handle those covered and those not covered by payroll deductions. In general, we feel that the intricacies of paid parking are sufficient to warrant a dedicated program, and the payroll system has enough complications already without adding additional problems to it.

B. Centralized Systems

(1) Central Office Jointly Staffed by Offices of Finance and Logistics: The creation of a central parking office jointly staffed by Finance and Logistics personnel has several distinct advantages. It centralizes all parking matters in one location and utilizes available expertise for both allocation and collection. Interface problems are eliminated, and a single data base can be utilized to facilitate allocation, collection, and reporting. The disadvantage is staffing, as slots would have to be made available for this new office. In addition, a central facility with computer resources would be required. It should be mentioned that staffing for this office could be supplemented by use of part-time hires. Regulations concerning paid parking allow for personnel to be hired and paid from funds collected.

(2) Use of Northwest Federal Credit Union (NFCU) or Employee Activities Association (EAA): Conversations were held with Credit Union and EAA representatives to explore the possibility of these organizations managing the Paid-Parking Program. The Credit Union represented an attractive option as they currently have facilities and computer capabilities at major office locations.

SUBJECT: Federal Paid-Parking Program

Unfortunately, National Credit Union Administration (NCUA) approval is required, and the Credit Union's request for their approval was denied.

The EAA feels that the Paid-Parking Program is too large for their resources and expressed no interest in expanding to handle this project.

(3) Utilization of Parking Management, Incorporated, or Other Commercial Parking Management Concern: OMB Circular A-118, in describing provisions of the Federal Paid-Parking Program, indicates that commercial parking concerns may be utilized and paid from fees collected. This approach would put parking in the hands of professionals and lift the burden from CIA. There are, however, many shortcomings. Security clearances would be required for their personnel, and an inside office facility would have to be provided. We anticipate that the cost to the U. S. Government and perhaps to Agency employees would be high as a result of parking being run as a commercial venture. The interface problems and potential for loss of Agency control over allocation policies, etc., are serious concerns and tend to preclude any serious consideration of this approach.

(4) Use of Pentagon Concessionaire: The Pentagon has been involved with paid parking since November of 1979 and has developed a well-managed, sophisticated program. It is managed by the Concessionaire's Office located in the Main Concourse of the Pentagon. The Pentagon has provided working facilities and computers. Salaries and a \$500-per-month management fee are paid from parking fee receipts. Because the Pentagon Concessionaire has close to a one-year experience factor, consideration has been given to asking them to manage the CIA program at Langley. Facilities and computer support would have to be provided in our Headquarters and security clearances obtained for their personnel. Because the Concessionaire's office was already in existence at the Pentagon, assumption of the parking management program represented a desirable business venture. It's not certain, however, that they would be interested in managing a satellite program as far distant as Langley.

SUBJECT: Federal Paid-Parking Program

(5) Use of Independent Contractor: This approach is similar to the hiring of the Pentagon Concessionaire or a commercial parking management concern, but offers some very distinct advantages. The independent contractor would, hopefully, be a recently retired Finance or Logistics Officer who has a working knowledge of Agency procedures. This individual, as well as his staff, could be paid with nonappropriated funds out of parking fees collected. The contractual arrangement would be much the same as that currently being considered to fill positions within the Voluntary Investment Program. The hiring of retirees would simplify the clearance procedures, enhance interface with Agency resources, and provide the Agency with the desired amount of control over the program. This approach would probably prove less expensive than utilizing a commercial concern or the Pentagon Concessionaire. A central facility and computer support would, of course, be required.

3. The options presented above outline several workable approaches to the management of an Agency Paid-Parking Program. While we won't be advised until July, it seems a virtual certainty that the Headquarters complex will be included in the Program effective 1 October 1980. The time required to work out implementing procedures, enlist the necessary ODP resources, and prepare the required physical facilities is extremely short, and work needs to begin immediately.

4. Our recommended approach is to pursue option 2B(5), the hiring of an independent contractor to manage a centralized parking program, with responsibility for all Agency parking matters located in that office. With your concurrence, we will immediately establish a task force comprised of representatives from the Offices of Data Processing, Finance, and Logistics to determine requirements and initiate the necessary work requests, procurement documents, and personnel actions to have this office staffed and operational by early September 1980, the point at which fee collection should commence to meet the 1 October 1980 starting date for paid parking. The services of a senior systems analyst from ODP will be required, and a Computer Applications Request (Form 930) is attached for your signature in order that this project may receive highest priority. Once this new office is operational, the independent contractor will assume all administrative control

SUBJECT: Federal Paid-Parking Program

over the Agency Paid-Parking Program under the direction
of the Logistics Services Division, Office of Logistics.

[Redacted Signature Box]

James H. McDonald

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Attachment

CONCUR:

Deputy Director for Administration

Date

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AEO/OL:GFK:mcb/[Redacted] (3 Apr 80)

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